

KARI HANSON

22818 Gray Fox Drive
Canyon Lake, California 92587
(909) 285-0031
Defendant In Pro Per

FILED
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LORIE S. WILSON
CLERK
BY _____
CLERK

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF NEVADA

* * * *

Thomas A. Dillon, Independent
Fiduciary Of Employers Mutual Plans

Plaintiff

vs.

James Lee Graf; William R. Kokott;
Nicholas E. Angelos; Kari Hanson; Agent
Coalition of America, Inc.; Associated
Agents of America, Inc.; Michael F.
DeBello; Nathan Foreman; American
Benefit Society, Inc.; Christopher S.
Ashiotes; Sierra Administration Marketing,
Inc.; Reggie Caillouet dba Reggie Caillouet
Brokerage; AAA Insurance Services; ADR
Insurance Services, Inc.; Advanced
Marketing; Affordable Insurance Options;
AFM Insurance Group; Humayun Bashir
Afzal; Timothy Alder; Michael Alexander;
All Florida Insurance Services, Inc.; Alliance
for Affordable Health; John Amann;
American Coalition of Consumers, L.L.C.;
Thomas Armstrong; John Kadlec Arnold; R.
A. Ashworth; Association Benefits
Solution, Inc.; AXA Advisors, LLC; Julie
Baker; Karen Barber; Daniel Barnett;
Barnhart & Associates; Willard Gene
Barnhart; James Barnhill; Shirley Barton;
Gary Allen Bastie; Harold Jose Batista;
Frederick Bauer; John Been; Benson,
Young, and Downs Ins. Inc.; Ivan
Bentauin; Bart Berretta; Steven Blackford;
Dirk Blankenship; Stephen Blust; Peter

CV-N-03-0119-HDM-VPC

RESPONSE TO COMPLAINT FOR:

1. CIVIL RICO;
2. RICO CONSPIRACY;
3. FRAUD;
4. BREACH OF CONTRACT TO
PROCURE VALID
INSURANCE;
5. INSURANCE PRODUCER
MALPRACTICE;
6. BREACH OF WARRANTY OF
AUTHORITY

36

Bogutzki; Richard Bokofsky; Jan Booth-Smith; Richard Brantley; William Brewer; Steven Brown; Brown-Gainer & Associates; Brown-Gainer, Inc.; Bruce W. Fletcher Co., Inc.; Carrie Bryant; Dennis Burden; Burkett & Asso. Ins. & Fin. Svs. Inc.; James Burkett; Debra Burton; E. Bruce Bushong; Gae Callaway; Capital Financial Group, Inc.; Caputo Insurance Agency, Inc.; Richard Caputo; Robert Carlin; Steven Carlson; Todd Carmack; Donald Carroll; CBS Ins And Plan Services; Kevin Cerulli; Donald Chapman; Chesney Insurance Agency; Larry Chesney; Antone Chomenko; Leonard Cifrese; Anneliese Clark; Dean Clark; Brian Clothier; Russell Coats; Colella Financial Services, Inc.; James Colella; Thomas Coleman; Complete Financial Service; Jeffrey Conley; Patrice Connolly; Robert Corallo; Connie Countie; Elda Cox; Kurt C. Cradic; Dion R. Cruz; CCS Inc.; Customer Service Solutions, Inc.; Brandy Cumming; James Darby; Earl Grant Darbyson; David E. Silva Insurance Agency, Inc.; William Davidson; Jean F. Davis; Kelly Davis; Mark Davis; Samuel Day; Joseph Debrell; Tammi Desideri; Maria Diaz; Joseph Dibrell; Kenneth Dinklage; Charles DiPrimio; Anthony DiRienzo; Wilford Dogan; James Doyle; David Dudics; Julian Dwyer; Earl J. Venable & Associates; Kent Edwards; James Ehrhart; Hector Elizondo, Jr.; John Elmore; John Emerick; Employee Benefit Service; Moses Enwerekowe; Fredrick Epperson; Escambia Insurance; Estates Solutions, Inc. dba: Benefit & Estates Solutions; Eddie Ette; Brent Euler; Executive & Employee Benefits, Inc.; Express Florida Health and Life Ins; F.A.I.A. Service Corp; Vito Falco; Michael Farley; Thomas Felaki; John Feliciano; Roy Fenner; Robert Fenton; Five Star Marketing; Five Star Marketing Group; John Flanagan; Linda Fleetwood; Fleetwood-Franz 'Ee Benefits, Inc.;

Kenneth Fleming II; Bruce Fletcher; Gale
 Follett; For Your Benefits, Inc.; Harnid
 Foroudi; Charles Francis; Larry Fussell;
 Gaetani Associates; Frances Gaetani;
 Michael Gainer; Ronald Garner; Paula
 Garst; J. Christopher Gauss; Robert Gill;
 Leslie Glazier; GMI Financial Group, Inc.;
 Richard Goodman; Susan Gordon;
 Elizabeth Gore; Lillian Gore; Richard
 Gorfido; Nancy Graham; James R. Grant;
 Gary Gravely; Darlene Graves; Mark
 (Breck) Greene; Joann Gullede; David
 Haas; Haas Insurance Service; Andy
 Haase; Michael Hall; Robert E. Hall;
 Halsey Insurance Agency; Lee Hampton;
 Hancor Insurance Agency; George
 Hannigan; Roy Hanson; Cyd Hargrove; R.
 J. Hasselmier; Health Plans of Texas; John
 Helvie; Kathryn Hendrix; Gerald Higgins;
 Thomas E. Higgins; Hilcher Ins. &
 Financial Services; C. Wayne Hilcher,
 LUTCF; David Hines; Roger F. Holt, Jr.;
 James Hopgood; Richard Horch; Horizon
 Insurance Associates, Inc.; Edward
 Hubbard; Hubbard Insurance; Hudson
 Eldridge Insurance Agency; David Scott
 Hughes; Wesley James Hunt; Robert Hurt;
 J.C. Brokerage, Inc. dba Insurance Center;
 Gerald Ide; Jenny Ide; Insurance Concepts
 of Texas; Insurance Marketing Group of
 Florida, Inc.; InsurCare, Inc.; InsurCare,
 Inc.; Anthony Focono; Donna Iverson; J.
 Christopher Gauss, Inc.; Donald Jacoby;
 JFM Insurance Inc.; John Johnson; Michael
 Johnson; Brian Jones; Levern Jordan; Keith
 Jordano; John Kaiser; Eric Kantor; Bruce
 Kashick; Mal Kelly; Kettler & Associates,
 Inc.; Fredrick Kettler; Edgar Kieschnick;
 Cecil Knight; Michael Kolacz; Robert
 Kotman; Richard Kozar; Hilbert Kritch;
 James Kruckemeyer; Richard Kwong; Sally
 Lane; James Lang; Paul Laroussini; Mitch
 Laughton; Dennis Law; John LeFavour;
 June Lempke; Gal Lev-Lehman; Walter
 Lightfoot; James Lilly; Harvey Litvin;
 William Michael Lovell; Stephen Lukacs;

Michelle Magidson; Fredrick Magiera;
Mainstream Insurance; Gary Maxie; Brian
McAllister; Andrew McCoy; Bruce
McKinney; David McNamara; McNulty
Barber Consulting; Vence Meneely; Gary
Miano; Robert John Middleton; Midwest
Marketing Insurance Agency; Mike
Williams Ins. Ltd.; Mark Miller; Mills
Cumming & Assoc, Inc.; Jeffrey Milrad;
Lawrence montgomery; Robert Morgan;
Wayne Morris; Wayne Morriss; Robert
Mullinax; William Murphy; Harrison
Myers; Nassau Bay Agency, Inc.;
Nationwide Insurance; Michael Newby;
Donald Alan Nicholson; Ernest Norman;
Norwell and Norwell; Rhonda O'Banion;
Gary Oliver; Olympic Mountain Agency;
Gerald Owens; Page Inc.; Kay Page;
Matthew Palmer; Edward Parodi; William
H. Patterson; Toni Paxton; D. Jean Payne;
Sherri Perri; David William Perry; Petra
Insurance Agency, Inc.; William Phillips;
Steven Pickett; Marc Pieroni; Fredrick
(Rick) Pike; Pike Insurance Agency, Inc.;
Susan Pine; Brent Pinkerton; Raymond
Pinto; David Eli Polovina; Michael Porter;
Cameron Pouncey; Preferred Care, Inc.;
Premier Marketing Group; Stanley Putman;
Quik Quote Insurance Brokers, Inc.; R.B.
Insur., Assoc., Inc.; Arif Rahim; Lawrence
Ramers; Ray Wall & Associates, Inc.; Mark
Reaves; Robert J. Reid; Reliable Insurance;
Thomas Reynolds; Rick Horch Annuities
And Ins.; Albert Riehl; Michael Roberts;
Rocky Financial Services/aka: Ace
Financial Services; Nathan Rogers; Sheila
Rooney; Scott Rose; Kenneth Rosicka; RTI
Insurance Services of FL, Inc.; Jesse Rubio;
Bobby Rundle; Barry Rusche; Scott
Rutherford; Ryko Corp, Inc.; Steven Sacks;
SafeComp; Catherine Sams; Susan
Schilling; Craig Schoen; Dennis Schrecker;
Robert Schwab; Selwin Schwartz; S. Lewis
Shafik; Edward (Brack) Shaver; Fredrick
Shealy; Sheila W. Rooney Agency;
Howard Siegel; David E. Silva; Clyde

Sinyard; Don R. Smith; John Snape;
Audrey Snow; Gerald Solomon; Dennis
Stanhoff; Starling & Associates, L.L.C.;
William F. Starling; Stetson-Beemer, Ins.;
Donna Stilwell-Kronick; Stockman's
Insurance; Robert Stone; Penelope Stump;
Sullivan & Associates, Inc.; John Sullivan;
Timothy Sullivan; Summit Group Benefits,
Inc.; James Swafford; Porter Talbot;
Richard Tani; Nicholas Taromina; Texas
Ins. And Financial Svcs., Inc.; The Blackford
Group; The Darbyson Group; The
Insurance Center; The Laughton Company;
Scott Thiltgen; Thompson Associates, Inc.;
James Thompson; Kyle Thompson; Terence
Thoruton; Tobin Ins. Agency, Inc.; James
Tobin; Stewart Turnage; James Tuten;
Ronald Unfried; Deborah Usher; USI
Insurance Services Corp.; Sebastian Valera;
Vantage Insurance Agency of NV; Earl
Venable; Roy Vicencio; Voluntary Benefit
Specialists; Gene Wadell; Wadell
Insurance Group; Raymond Wall; Gary
Ward; John Wathern; Richard Waugaman;
Brian Weaver; Eric Westall; Harry Wilk, III;
Bernard Williams; George Michael
Williams; Karel Anne Williamson; WIN;
Windsor Benefit Consultants, Inc.; Wolfco,
Inc.; Carmen Wolfe; Worldwide Ins.
Group, Inc.; Worldwide Insurance
Services, Inc.; John Wuthnow; Angie
Yanda; Leon Yannaroudis; Adrian
Zandirolarli;

Defendants.

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Now comes Defendant, Kari Hanson, in response to the complaint filed by Plaintiff, Thomas A. Dillon, and answers as follows:

I

NATURE OF THE ACTION

1. In answer to paragraph 1 of Plaintiffs complaint, based on the lack of information and belief, this answering Defendant specifically denies all allegations contained therein. However, the answering Defendant specifically denies any allegations of fraud.
2. In answer to paragraph 2 of Plaintiffs complaint, based on the lack of information and belief, this answering Defendant specifically denies all allegations contained therein. The answering Defendant specifically denies creating plans for employers or a façade to steal or embezzle premiums or any allegations of RICO statute.
3. In answer to paragraph 3 of Plaintiffs complaint, based on the lack of information and belief, this answering Defendant specifically denies all allegations contained therein and has never sold or intended to sell insurance.
4. In answer to paragraph 4 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies all allegations contained therein.

II

JURISDICTION AND VENUE

5. In answer to paragraph 5 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies all allegations contained therein.
6. In answer to paragraph 6 of Plaintiffs complaint, Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

III

PARTIES

A. Plaintiff

7. In answer to paragraph 7 of Plaintiffs complaint, this answering Defendant is aware of the preliminary injunction filed by Elaine Chao, Secretary of the United States Department of Labor, which appointed Dillon as the independent fiduciary of Employers Mutual. Based on the lack of information and belief this answering Defendant specifically denies all allegations in this paragraph.

B. Defendants

i. The RICO Defendants

8. In answer to paragraph 8 of Plaintiffs complaint, this answering Defendant specifically denies all allegations. Answering Defendant specifically denies any involvement with the alleged RICO or any illegal activities.

9. In answer to paragraph 9 of Plaintiffs complaint, based on the lack of information and belief, this answering Defendant specifically denies all allegations contained therein.
10. In answer to paragraph 10 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
11. In answer to paragraph 11 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
12. In answer to paragraph 12 of Plaintiffs complaint, Answering Defendant is a resident of California and based on the lack of information and belief this answering Defendant specifically denies all allegations of being a conspirator to scheme to steal premiums paid to Employers Mutual, if any.

ii. The Negligent Defendant Wholesale Insurance Producers

13. In answer to paragraph 13 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
14. In answer to paragraph 14 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
15. In answer to paragraph 15 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

16. In answer to paragraph 16 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
17. In answer to paragraph 17 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
18. In answer to paragraph 18 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
19. In answer to paragraph 19 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

iii. The Negligent Defendant Retail Insurance Producers

20. In answer to paragraph 20 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
21. In answer to paragraph 21 of Plaintiffs complaint, Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein
22. In answer to paragraph 22 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

23. In answer to paragraph 23 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
24. In answer to paragraph 24 of Plaintiffs complaint, Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein

IV

AGENCY AND INFORMATION ALLEGATIONS

25. In answer to paragraph 25 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. Furthermore, answering Defendant specifically denies allegations of acting in concert or any participation, collaboration with others to ratify acts of others and any intent to do so, if any.
26. In answer to paragraph 26 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein and further believes there is no factual contention contained in this complaint.
27. In answer to paragraph 27 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein and was never involved in creating a façade. This answering Defendant's company while acting as an independent vendor provided services in good faith consisting of repricing of claims and at all times continued to assist the Independent Fiduciary in doings.

GENERAL FACTUAL ALLEGATIONS

A. The Scheme of the RICO Enterprise

28. In answer to paragraph 28 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
29. In answer to paragraph 29 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. Furthermore, this answering Defendant specifically denies creating of a RICO enterprise and no intent was made to sell fraudulent health insurance or steal premiums, if any.
30. In answer to paragraph 30 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. At no time was there any intent to provide a façade for any illegal activities, if any.
31. In answer to paragraph 31 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
32. In answer to paragraph 32 of Plaintiffs complaint, Based on the lack of information and belief this answering Defendant specifically denies all allegations contained therein and at no time did answering Defendant forge a letter written on Sun Life's letterhead.

33. In answer to paragraph 33 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
34. In answer to paragraph 34 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
35. In answer to paragraph 35 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
36. In answer to paragraph 36 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
37. In answer to paragraph 37 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
38. In answer to paragraph 38 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. Answering Defendant is aware of an announcement sent via e-mail to Defendant DeBello, which was an altered from its original state and reissued to Agents associated with DeBello and his company.
39. In answer to paragraph 39 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

40. In answer to paragraph 40 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
41. In answer to paragraph 41 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
42. In answer to paragraph 42 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
43. In answer to paragraph 43 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
44. In answer to paragraph 44 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
45. In answer to paragraph 45 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
46. In answer to paragraph 46 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

47. In answer to paragraph 47 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
48. In answer to paragraph 48 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. Answering Defendant is aware that Employers Mutual terminated its relationship with Sierra Administration. Answering Defendant continued to provide service of repricing claims on behalf of Employers Mutual as contractually obligated to do so.
49. In answer to paragraph 49 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. At no time did answering Defendant steal any premiums or make misrepresentations, if any.
50. In answer to paragraph 50 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. Furthermore, answering Defendant specifically denies any fraud.
51. In answer to paragraph 51 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
- a. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. This Answering

Defendant specifically denies any scheme to take advantage nor conspired to commit RICO statute.

- b. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - c. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - d. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - e. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - f. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
52. In answer to paragraph 52 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

B. The Predicate Acts of the RICO Defendants in Furtherance of the Ongoing

Scheme

53. In answer to paragraph 53 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. Answering Defendant specifically denies allegations of neither a scheme nor overt acts.
- a. Based on the lack of information and belief, this answering Defendant specifically denies all allegations contained therein.

- b. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
- c. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
- d. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. Answering Defendant specifically denies any pattern or involvement pertaining to racketeering or deception.
- e. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
- f. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

C. The Negligent Acts and Omissions of the Defendant Insurance Producers

- 54. In answer to paragraph 54 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
- 55. In answer to paragraph 55 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - a. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - b. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. (i) Based on the lack of

- information and belief this answering Defendant specifically denies allegations contained therein. (ii) Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. (iii) Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. (iv) Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. (v) Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. (vi) Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein. (vii) Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
- c. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - d. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - e. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - f. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
 - g. Based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

56. In answer to paragraph 56 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.
57. In answer to paragraph 57 of Plaintiffs complaint, based on the lack of information and belief this answering Defendant specifically denies allegations contained therein.

VI

FIRST CLAIM FOR RELIEF

18 U.S.C. §1962(c)

Civil RICO Against the RICO Defendants

58. In reference to paragraphs 58 thru 66 answering Defendant specifically denies each and every allegation contained therein.

VII

SECOND CLAIM FOR RELIEF

18 U.S.C. §1962(d)

Conspiracy to Commit Civil RICO Against the RICO Defendants

59. In reference to paragraphs 67 thru 70 answering Defendant specifically denies each and every allegation contained therein.

VII

THIRD CLAIM FOR RELIEF

Fraud Against the RICO Defendants

60. In reference to paragraphs 71 thru 73 answering Defendant specifically denies each and every allegation contained therein

IX

FOURTH CLAIM FOR RELIEF

**Breach of Contract to Procure Valid Insurance Against
the Defendant Wholesale and Retail Insurance Producers**

61. In reference to paragraphs 74 thru 79 answering Defendant specifically denies each and every allegation contained therein

X

FIFTH CLAIM FOR RELIEF

**Professional Malpractice Against the Defendant
Wholesale Insurance Producers and Retail Insurance Producers**

62. In reference to paragraphs 80 thru 83 answering Defendant specifically denies each and every allegation contained therein

XI

SIXTH CLAIM FOR RELIEF

**A Breach of Warranty of Authority Against RICO Defendants, Defendants
Wholesale Insurance Producers and Defendant Retail Insurance Producers**

63. In reference to paragraphs 84 thru 87 answering Defendant specifically denies each and every allegation contained therein

XII

AFFIRMATIVE DEFENSES

First Affirmative Defense Plaintiff has failed to state a cause of action against this answering Defendant.

Second Affirmative Defense Laches – Prejudicial delay in filing said action, which has caused irreparable harm to this answering Defendant.

Third Affirmative Defense Contributory Negligence. Plaintiff has caused all or a significant part of the damages alleged, if any, for which this answering Defendant might be responsible.

DATED this 8 day of July, 2003


KARI HANSON

CERTIFICATE OF SERVICE

I hereby certify that on this the 8th day of July 2003, I caused true and correct copy of the foregoing: DEFENDANT (KARI HANSON) RESPONSE TO COMPLAINT by placing a true copy thereof in a sealed envelope and sent by first class U.S. mail postage paid as follows:

Robert L. Brace
Hollister & Brace
2226 Santa Barbra street
Post Office Box 630
Santa Barbra, CA 93102

Richard W. Horton
Lionel, Sawyer & Collins
Suite 1100 Bank of America Plaza
50 West Liberty Street
Reno, NV 89501


MELODY BOUCHIE